

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00  
CIAE-00 PM-05 INR-07 L-03 ACDA-07 NSAE-00 PA-01  
SS-15 PRS-01 SP-02 TRSE-00 INRE-00 /054 W  
-----125522 161537Z /53

O P 161511Z SEP 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 1482  
INFO USMISSION NATO IMMEDIATE  
AMEMBASSY LISBON IMMEDIATE  
USDEL MC BRUSSELS PRIORITY  
USNMR SHAPE PRIORITY  
CINC EUR VAHINGEN PRIORITY  
SECDEF WASHDC PRIORITY  
DA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BONN 15301

E.O. 11652: GDS  
TAGS: MARR, MASS, MORG, MPOL, PORG, NATO, PO, GW  
SUBJECT: PORTUGUESE FORCE MODERNIZATION: NEGATIVE  
DECISION BY BUNDESTAG BUDGET COMMITTEE

REFS: (A) BONN 15251 DTG 151756Z SEP 77  
(B) BONN 12605 DTG 021516Z AUG 77

BEGIN SUMMARY: THE FMOD IS MAKING INTENSIVE EFFORTS TO  
OBTAIN REVERSAL OF THE DECISION BY THE BUNDESTAG BUDGET  
COMMITTEE NOT TO FUND CONVERSION IN THE U.S. OF 18 M-48  
TANKS FROM A-2 TO A-5 CONFIGURATION. MINISTER LEBER  
WILL BE COOPERATING WITH THE CDU/CSU BEHIND THE SCENES  
TO TRY TO BRING THE BUDGET COMMITTEE AROUND. THE FONOFF  
WILL LEND SUPPORT, BUT IS LESS OPTIMISTIC THAN THE FMOD  
THAT REVERSAL CAN BE OBTAINED. DANNENBRING OF FONOFF  
FELT EXTENSION OF THE LOA BEYOND SEPT. 22 WOULD  
BE PSYCHOLOGICALLY USEFUL. END SUMMARY.  
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1. BRIG. GEN. ALTENBURG, DEPUTY DIRECTOR OF MOD'S  
OFFICE OF POLITICAL-MILITARY AFFAIRS, TOLD EMBOFF ON  
SEPTEMBER 16 THAT THE FMOD WAS MAKING THE MOST INTENSIVE  
EFFORTS TO GET THE BUDGET COMMITTEE TO REVERSE ITS  
DECISION DESCRIBED IN REF B. THE FMOD HAS ALREADY  
ARRANGED FOR MANFRED WOERNER (CDU/CSU BUNDESTAG MEMBER

AND CHAIRMAN OF THE BUNDESTAG DEFENSE COMMITTEE) TO TRY TO CONVINCE ALL CDU/CSU MEMBERS OF THE BUDGET COMMITTEE TO WORK FOR A REVERSAL. BUDGET COMMITTEE CHAIRMAN (LEICHT) IS FROM WOERNER'S PARTY, BUT THE SPD/FDP COALITION HAS ONE MORE SEAT IN THE COMMITTEE THAN THE CDU/CSU.

2. ALTENBURG SAID THE FMOD ALSO ENVISIONED THAT BOTH LEBER AND FMOD STATE SECRETARY SCHNELL WOULD APPROACH KEY BUDGET COMMITTEE MEMBERS IN THE IMMEDIATE FUTURE TO TRY TO GET THEM TO REVERSE THE DECISION.

3. ALTENBURG SAID THE FMOD IS REQUESTING THAT FONOFF INSIST TO BUDGET COMMITTEE THAT PREVIOUSLY ENVISIONED ARRANGEMENT ON TANKS IS ESSENTIAL FOR POLITICAL REASONS.

4. ALTENBURG SAID THE FMOD WOULD PROBABLY PUSH FOR RE-SUBMISSION OF THE PREVIOUS REQUEST FOR FUNDING, SLIGHTLY REWORDED SO THAT THE BUDGET COMMITTEE COULD APPROVE IT WITHOUT LOSING FACE. THE IDEA WOULD BE TO HAVE ENTIRELY COSMETIC REWORDING SO THAT FULL REVERSAL COULD BE EFFECTED AND APPROVAL OF FUNDING FOR TANK CONVERSION IN THE U.S. OBTAINED.

5. ALTENBURG EMPHASIZED THAT, IN HIS VIEW, ANY  
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PRESSURE BY THE USG AT THIS TIME COULD BE COUNTER-PRODUCTIVE TO INTERNAL GERMAN EFFORTS TO TURN THE BUDGET COMMITTEE AROUND.

6. DANNENBRING (HEAD OF NATO OFFICE, FONOFF) WAS LESS OPTIMISTIC ABOUT REVERSAL AND ASSUMED A LESS "CAN DO" ATTITUDE. HOWEVER, HE SAID THE FONOFF WAS OF COURSE UNHAPPY ABOUT THE BUDGET COMMITTEE DECISION, AND THAT GENSCHER HAS A PERSONAL INTEREST IN GETTING THE TANKS TO PORTUGAL AS SOON AS POSSIBLE. DANNENBRING SAID THE FONOFF WAS URGENTLY WORKING ON THE PROBLEM AND THAT IT WAS CHECKING WITH PARLIAMENTARY EXPERTS ON THE BEST AND QUICKEST WAY TO RE-INTRODUCE THE REQUEST FOR FUNDING TO THE BUDGET COMMITTEE.

7. DANNENBRING (WHO WAS PRESENT IN THE BUDGET COMMITTEE MEETING ALONG WITH ALTENBURG) SAID THE COMMITTEE SPECIFICALLY STATED THAT ITS DECISION ON FUNDING WAS REVERSIBLE ON TWO CONDITIONS: (A) THAT LABOR FOR THE CONVERSION OF THE TANKS FROM A-2 TO A-5 CONFIGURATION BE DONE IN GERMANY; AND, (B) THAT THE USG SEND 18 A-5'S TO PORTUGAL FROM U.S. STOCKS IN THE

IMMEDIATE FUTURE.

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00  
CIAE-00 PM-05 INR-07 L-03 ACDA-07 NSAE-00 PA-01  
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-----125489 161536Z /53

O P 161511Z SEP 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 1483  
INFO USMISSION NATO IMMEDIATE  
AMEMBASSY LISBON IMMEDIATE  
USDEL MC BRUSSELS PRIORITY  
USNMR SHAPE PRIORITY  
CINC EUR VAIHINGEN PRIORITY  
SECDEF WASHDC PRIORITY  
DA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 02 OF 02 BONN 15301

8. DANNENBRING SAID BUDGET COMMITTEE FULLY SUPPORTED POLITICAL CONCEPT OF A-5 TANKS FOR PORTUGAL, BUT WAS QUITE FIRM IN THE POSITION THAT LABOR BENEFITS SHOULD GO TO THE FRG. THE COMMITTEE REALIZED THAT THE CONVERSION WOULD TAKE LONGER IN THE FRG THAN IN THE U.S., BUT FELT THAT TIME WAS NOT A FACTOR SINCE ACTUAL TANKS FOR THE PORTUGUESE WOULD COME FROM U.S. INVENTORIES.

9. DANNENBRING SAID THE BUDGET COMMITTEE WAS IRKED THAT THE LOA EXPIRED SO SOON (SEPT. 22). HE PERSONALLY FELT THAT EVEN A MODEST EXTENSION OF THIS DEADLINE WOULD BE PSYCHOLOGICALLY USEFUL IN TRYING TO BRING THE COMMITTEE AROUND.

10. COMMENT: CHANCES FOR COMPLETE REVERSAL OF THE  
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BUDGET COMMITTEE DECISION MAY BE CONSIDERABLY LESS THAN  
ALTENBURG THINKS, BUT IT IS A POSITIVE FACTOR  
THAT THE FMOD IS DYNAMICALLY PURSUING THIS COURSE OF  
ACTION. IF BOTH LEBER AND GENSCHER TAKE A FIRM STAND  
FOR TANK CONVERSION IN THE U.S. (ARGUING, E.G., THAT  
THERE IS AN OVERRIDING FOREIGN POLICY OBJECTIVE AND THAT  
LABOR BENEFITS TO THE FRG OF CONVERSION HERE WOULD BE  
MINIMAL), THERE MIGHT BE SOME HOPE FOR AN  
ACCEPTABLE MODIFICATION OF THE BUDGET COMMITTEE POSITION.

11. EMBASSY WILL CONTINUE TO CONSULT URGENTLY WITH THE  
FRG ON SOLUTIONS TO THIS PROBLEM.  
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## Message Attributes

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